



DEPARTMENT OF ADMINISTRATION
VICTIMS OF CRIME PROGRAM
www.voc.nv.gov

August 17, 2010

To: Andrew Clinger, Clerk
Board of Examiners

From: Bryan Nix, Coordinator
Victims of Crime Program

Re: VOCP 4th Quarter FY 2010 Report, and 1st Quarter FY 2011
Recommendation

NRS 217.260 requires the Board of Examiners to estimate available revenue and anticipated claim costs each quarter. If revenues are insufficient to pay anticipated claims, the statute directs that claim payments must be reduced proportionately.

BOE Policies for the VOCP provide for payment of "priority" claims during the quarter and for payment of accrued "non-priority" claims at the end of each quarter. Priority claims are bills for current medical treatment, lost wages, funeral expenses, counseling, etc. Non-Priority claims are bills the applicant owed prior to claim acceptance. These are mostly hospital emergency room and related bills. The program pays the "approved" amount, which is the amount approved for payment after bill review and application of fee schedules or other payment adjustments pursuant to VOCP policies.

The VOCP paid all priority and non-priority claims at 100% of their approved amount for all of FY 2009 and the first and second quarter of FY 2010. However, due to declining revenues the VOCP did not have sufficient budget authority and reserves to pay projected claim costs at 100% of the approved amount for the remainder of FY 2010.

Claim Payments Made in Fiscal Year 2010

The following chart shows claim payments made in FY 2010, by benefit type. As this chart shows the VOCP has satisfied **\$40,316,177.69** in victim medical bills and claims

for **\$7,999,809.50** of available funding. Cost containment policies allowed for a total savings of **\$32,316,368.19** in FY2010.

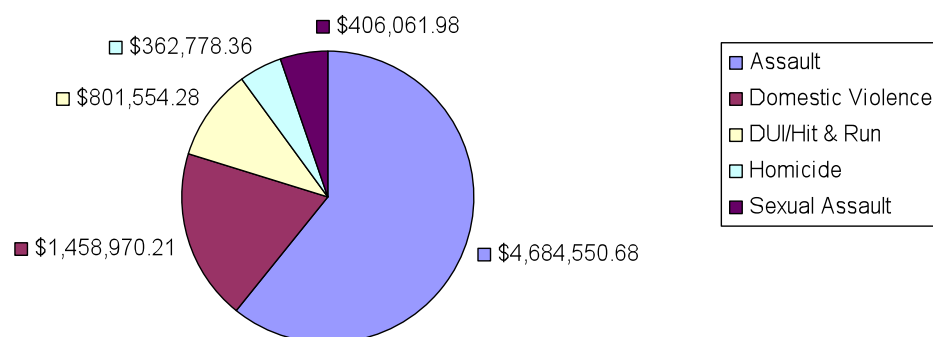
Payment Amounts by Type Fiscal Year 2010				
Type of Expense	Number of Bills	Total Victim Bills Submitted	Amount Saved by Bill Review	Amount Paid to Providers
Chiropractic	387	157,660.47	43,654.56	114,005.91
Counseling	2890	832,337.57	324,624.00	507,713.57
Survivor Benefits	43	64,342.40	0.00	64,342.40
Dental	464	870,295.30	227,237.00	643,058.30
Discretionary*	374	297,006.48	3,243.77	293,762.71
Funeral Expense	112	267,966.58	11,439.56	256,527.02
Lost Wages	528	478,743.12	357.81	478,385.31
Medical - Hospital	1463	27,096,686.81	24,313,831.49	2,782,855.32
Medical - Other	4126	4,707,083.29	2,521,520.49	2,185,562.80
Prescription	1054	182,856.64	38,916.88	143,939.76
Physical Therapy	262	124,217.78	45,545.21	78,672.57
Vision	163	91,393.49	13,674.32	77,719.17
Pending Priority Three Payments 4th Quarter 2010	916	5,145,587.76	4,772,323.10	373,264.66
Total Payments FY 2010	12782	\$40,316,177.69	\$32,316,368.19	\$7,999,809.50
*Discretionary payments include: Relocations, Temporary Housing, Crime Scene Clean-up, etc.				

** There are **\$5,145,587.76** in pending Priority Three Claims (hospital bills, etc), which will be paid for **\$373,264.66**, which is 40% of the approved amount of \$933,241.15 at the end of the 4th quarter FY 2010 as provided for by VOCP policies.

Victim Payments by Crime Type Fiscal Year 2010

The following pie chart shows amounts approved for payment by crime type, during Fiscal Year 2010.

Payments Approved By Crime Type YTD FY2010



Financial Review Fiscal Year 2010

The following chart shows projected revenues and fund balances, including reserves for FY 2010, and recommendations for 1st quarter FY 2011 based on projections. These projections of revenue and anticipated expenses are used for purposes of determining compliance with NRS 217.260 and policies of the BOE.

Financial Position and First Quarter 2011 Projections	
Funds Available for Payments FY10	\$8,782,437.25
1st Quarter Claim Payments	\$2,534,909.59
2nd Quarter Claim Payments	\$2,575,232.68
3rd Quarter Claim Payments (Priority 3 paid at 50%)	\$1,707,558.93
4th Quarter Priority1 & 2 Payments	\$770,917.80
Funds Remaining After Payments	\$1,193,818.25
Less 30 Day Reserves Held for FY 2011	\$820,553.59
Funds Available for Payments FY10	\$373,264.66
Approved Priority 3 Claims Pending Payment	\$933,241.15
4th Quarter FY10 Priority 3 Claims @ 40%	\$373,264.66
Projected Funds Available for FY 2011	\$9,175,521.59
Projected Funds Available for 1st Quarter FY 2011 Less 30 Day Reserves	\$2,088,742.00
Projected Payments 1st Quarter FY 2011*	\$1,781,304.00
Projected Reserves 1st Quarter FY 2011	\$1,127,991.59
Recommended Priority 3 Payment Percentage 1st Quarter FY11	80%
*Average of last 6 quarterly periods.	

In February 2010, the Budget Department advised the VOCP of the need to maintain a 30 day operating expense reserve out of FY 2010 revenues to ensure we had sufficient operating capital. This reserve requirement forced the program to significantly reduce the recommended payment percentage on Priority 3 claims for the 3rd and 4th quarter of FY 2010. (50% and 40% respectively.)

Revenue receipts have been reduced due to the economic downturn, while requests for program assistance continue to climb. In 2010 overall revenues were \$1.2 million below projections. The program saw significant decreases in revenue from Fines, Restitution, Wage Assessment, Court Assessment and Treasurers Interest.

At this time, we do not expect to meet budgeted revenue numbers for FY 2011, therefore we are recommending that we take a prudent approach to the year and pay priority 3 payments at 80% for the first quarter. This will give us the opportunity to review our financial performance at the end of the quarter and plan the remainder of the year accordingly.

VOCP Recommendation

There are projected 1st quarter priority 1 & 2 payments totaling **\$1,289,800.00** and projected priority 3 payments totaling **\$614,380.00**, for a total expense of **\$1,904,180.00**.

After reserving **\$820,553.59** for 30 days operating expenses, our budget shows VOCP Revenues available for 1st quarter is **\$2,088,742.00**. Since FY2010 revenues were short by \$1.2 million we are recommending priority 3 payments be paid at 80% of their approved amount, for a total of **\$1,781,304.00** to be paid on victims claims in the quarter.

Therefore; based on current projections, to ensure that recommended reserves of 30 days operating expenses are maintained, pursuant to NRS 217.260 and policies of the BOE, the VOCP recommends paying Priority 1 & 2 bills at **100%** and Priority 3 bills at **80%** of the approved amount for the 1st quarter of FY 2011.